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DEPT FOR EUR/AGS, INR/EU, AND EUR/PPD FOR YVETTE SAINT-ANDRE

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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: May 04, 2007

Parliament Remembers Nazi Victims

11. The Austrian Parliament will hold a special session to remember the victims of the Nazi regime today. ORF television will broadcast live from Parliament on channel ORF II, starting at 10:00 am. Parliamentary President Barbara Prammer (SPOe) is among the speakers discussing "Resistance from 1938 - 1945; Moral Courage Today." Ceremonies will continue this weekend, marking the 1945 liberation of the Mauthausen concentration camp in Upper Austria by US forces. In connection with upcoming events in Austria commemorating the victims of National Socialism, mass-circulation daily Kurier reports on a survey among Freedom Party members on the issue. Apparently, the daily notes, some FPÖe representatives "have a bit of a problem" with the Holocaust: For party boss Heinz-Christian Strache, the concentration camp victims "don't stand out. It is always important to remember all victims of all wars," he said. Some of his colleagues from Upper Austria have complained that commemorative events at the Mauthausen concentration camp are being held too often, suggesting that once every five years would suffice, the Kurier writes.

IMF Praises Austrian Economic Policy

12. Austrian economic policies have been praised in an annual report by the International Monetary Fund (IMF). The Washington-based organization gave strong marks to a robust Austrian economy, high growth rates and low unemployment. All of this, according to the IMF, has been made possible by stable and restrained wage policies. The report also suggested that retaining such wage policies would be the key to ensuring Austria's ability to compete on the international stage. In its praise for Austria's economic policies, the IMF emphasized that minor wage increases had kept labor costs in check even amid an expanding demand for labor, the semi-official daily Wiener Zeitung writes. The Fund also welcomed a new agreement between unions and management for continuing the current moderate wage policies. The current economic trend was also bolstered by Austria's focus on the rapidly-growing economies in east-central Europe, especially in the banking sector, says the daily. Furthermore, the IMF approved of Austria's efforts to balance the country's budget, but said this should be done sooner rather than later, and welcomed an increase in investments for research and development, education and infrastructure. According to the IMF, future tax reductions could be reserved for companies and sectors of the economy which are creating new jobs. The Fund also called for additional reforms to the pension and health systems.

Iraq Security on the Agenda in Egypt

13. The second and final day of a summit of world and regional powers on the future of Iraq is focusing on security issues. In addition, US Secretary of State Condoleezza Rice is expected to meet her Iranian counterpart Manouchehr Mottaki at the summit in the Egyptian report of Sharm el-Sheikh today. In meetings yesterday, Rice urged cooperation of the regional states to stabilize Iraq, ORF television reported. In his analysis, ORF Middle East correspondent Karim El-Gawhari suggested, however, that countries like Iran and Syria, "concerned that they might be next on Washington's hit list, will likely prefer the US to remain caught in the Iraqi quagmire for the time being."

ORF radio early morning news Morgenjournal quotes US Under Secretary for Political Affairs Nicholas Burns as stating "There will be a very important meeting in Sharm el-Sheikh: Secretary Rice will be there with the Iranian foreign Minister for their first meeting. We think that is a very important moment and we hope the Iranians will take the steps necessary to be much more constructive and peaceful neighbor for Iraq." In centrist daily Die Presse, Middle East correspondent Karim El-Gawhary says the "government in Baghdad is asking its neighbors to pay up" at the conference in Sharm el-Sheikh. But "although the conference in Egypt was supposed to be a major demonstration of international support for Iraq, it did not take long for rifts to emerge. The Sunni Arab states in particular are reluctant to give money as long as there is no guarantee the Sunni minority in Iraq will participate in the country's political processes and get its share of the oil resources," El-Gawhari says. "Interesting enough, Shiite Iran has proved to be far more generous: Tehran's top diplomat Ali Larijani said his country would make one billion dollars available for reconstruction loans." The reason for this stance may be that Iraq's "Sunni neighbors are concerned that their money for the Maliki government might end up being used to support Shiite militias in their civil war against the Sunnis," the correspondent argues.

Israelis Urge Olmert to Step Down

14. Tens of thousands of Israelis joined a demonstration in Tel Aviv last night calling for Prime Minister Ehud Olmert to resign over his handling of last year's war in Lebanon. Followers of parties from across the political spectrum joined the protests. Olmert, however, reiterated he will stay in office to implement proposals in the official report published earlier this month, which sharply criticized his role in the war.

In liberal daily Der Standard, Jerusalem correspondent Ben Segenreich reports on the "storm in the Kadima Party's teacup." The call on Olmert to step down by Foreign Minister and Kadima heavyweight Tzippi Livni failed. The Party ended up backing its embattled Prime Minister. "The Premier has meanwhile emphasized his determination to stay in office, despite the public outrage over his handling of the Lebanon war last year," Segenreich says, and explains that Olmert "certainly profited from Livni's rather poor and inconsistent performance" earlier this week. If Olmert keeps his position for the time being, he'll owe this to a "certain indifference among Israelis," which, Segenreich suggests, "is rooted in the notion that at this point there is nobody in sight who could do a better job."

McCaw